

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Auditor - Controller	(2) MEETING DATE 4/2/2013	(3) CONTACT/PHONE Kerry Bailey 788-2979	
(4) SUBJECT Submittal of the cash procedures and internal control review of the Health Agency conducted on July 23, 25, and 26, 2012.			
(5) RECOMMENDED ACTION It is recommended that the Board receive the item and file.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____ ) <input type="checkbox"/> Board Business (Time Est. ____ )			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A    Date: <u>September 21, 2010</u>	
(17) ADMINISTRATIVE OFFICE REVIEW  <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) All Districts -			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: James P. Erb, CPA, Auditor - Controller

DATE: 4/2/2013

SUBJECT: Submittal of the cash procedures and internal control review of the Health Agency conducted on July 23, 25, and 26, 2012.

## **RECOMMENDATION**

It is recommended that the Board receive the item and file.

## **DISCUSSION**

Cash handling can be an area vulnerable to mistakes or misappropriation. The Auditor-Controller has developed policies to minimize the risk associated with use of change funds and petty cash as well as cash receipts. Additionally, County computers are vulnerable to abuse, and County Information Technology has developed policies to minimize the risk associated with misuse of County computing assets. The objective of our review was to determine compliance with the County Auditor-Controller's Cash Handling Policy, to establish accountability for the cash on hand at the time of the count, and to determine compliance with the County IT Acceptable Use Policy Acknowledgement signature requirements.

The progress and results of our review of funds and compilation of the report were delayed due to the need to reassign staff to perform the State mandated agreed-upon procedures audits required by ABX1 26 which dissolved redevelopment agencies throughout the state.

## **OTHER AGENCY INVOLVEMENT/IMPACT**

None.

## **FINANCIAL CONSIDERATIONS**

There is no additional cost to the County for conducting unannounced cash reviews. Periodic unannounced cash reviews are a part of the Auditor-Controller's compliance with Government Code 26881 and 26883.

## **RESULTS**

We determined the cash fund and cash receipts on hand, in all material respects, to be in balance at the time of the cash count, and the Health Agency is in general compliance with the Cash Handling Policy. We also identified several areas of improvement which are detailed in the attached cash procedures review report.

The Auditor-Controller's program of periodic unannounced reviews of cash procedures and other internal controls helps maintain and improve internal controls and procedures for cash handling by County staff and contributes to the County's vision of a well-governed community.

## **ATTACHMENTS**

1. Health Agency Cash Review Department Report